

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 202 be amended to read as follows:

- 1 Page 1, between the enacting clause and line 1, begin a new
2 paragraph and insert:
3 "SECTION 1. IC 4-4-5.1-3 IS AMENDED TO READ AS
4 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 3. (a) The Indiana
5 twenty-first century research and technology fund is established to
6 provide grants or loans to support proposals for economic development
7 in one (1) or more of the following areas:
8 (1) To increase the capacity of Indiana institutions of higher
9 education, Indiana businesses, and Indiana nonprofit corporations
10 and organizations to compete successfully for federal or private
11 research and development funding.
12 (2) To stimulate the transfer of research and technology into
13 marketable products.
14 (3) To assist with diversifying Indiana's economy by focusing
15 investment in biomedical research and biotechnology, information
16 technology, and other high technology industry clusters requiring
17 high skill, high wage employees.
18 (4) To encourage an environment of innovation and cooperation
19 among universities and businesses to promote research activity.
20 (b) The fund shall be administered by the budget agency. The fund
21 consists of:
22 (1) appropriations from the general assembly;
23 (2) **proceeds of bonds issued by the Indiana development**
24 **finance authority under IC 4-4-11.4 for deposit in the fund;**
25 and

1 **(3)** gifts and grants to the fund.

2 The budget agency shall review each recommendation. The budget
3 agency, after review by the budget committee, may approve, deny, or
4 modify grants and loans recommended by the board. Money in the fund
5 may not be used to provide a recurring source of revenue for the normal
6 operating expenditures of any project.

7 (c) The treasurer of state shall invest the money in the fund not
8 currently needed to meet the obligations of the fund in the same manner
9 as other public funds may be invested.

10 (d) The money in the fund at the end of a state fiscal year does not
11 revert to the state general fund but remains in the fund to be used
12 exclusively for the purposes of this chapter.

13 SECTION 2. IC 4-4-5.1-5 IS AMENDED TO READ AS
14 FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 5. (a) The board has
15 the following powers:

16 (1) To accept, analyze, and approve applications under this
17 chapter.

18 (2) To contract with experts for advice and counsel.

19 (3) To employ staff to assist in carrying out this chapter, including
20 providing assistance to applicants who wish to apply for a grant
21 or loan from the fund, analyzing proposals, working with experts
22 engaged by the board, and preparing reports and recommendations
23 for the board.

24 (4) To approve and recommend applications for grants or loans
25 from the fund to the budget committee and budget agency.

26 (b) The board shall give priority to applications for grants or loans
27 from the fund that:

28 (1) have the greatest economic development potential; and

29 (2) require the lowest ratio of money from the fund compared with
30 the combined financial commitments of the applicant and those
31 cooperating on the project.

32 (c) The board shall make final funding determinations for
33 applications for grants or loans from the fund that will be submitted to
34 the budget agency for review and approval. In making a determination
35 on a proposal intended to obtain federal or private research funding, the
36 board shall be advised by a peer review panel and shall consider the
37 following factors in evaluating the proposal:

38 (1) The scientific merit of the proposal.

39 (2) The predicted future success of federal or private funding for
40 the proposal.

41 (3) The ability of the researcher to attract merit based scientific
42 funding of research.

43 (4) The extent to which the proposal evidences interdisciplinary
44 or inter-institutional collaboration among two (2) or more Indiana
45 institutions of higher education or private sector partners, as well
46 as cost sharing and partnership support from the business
47 community.

The purposes for which grants and loans may be made include erecting, constructing, reconstructing, extending, remodeling, improving, completing, equipping, and furnishing research and technology transfer facilities.

(d) The peer review panel shall be chosen by and report to the board. In determining the composition and duties of a peer review panel, the board shall consider the National Institutes of Health and the National Science Foundation peer review processes as models. The members of the panel must have extensive experience in federal research funding. A panel member may not have a relationship with any private entity or academic institution in Indiana that would constitute a conflict of interest for the panel member.

(e) In making a determination on any other application for a grant or loan from the fund involving a proposal to transfer research results and technologies into marketable products or commercial ventures, the board shall consult with experts as necessary to analyze the likelihood of success of the proposal and the relative merit of the proposal.

SECTION 3. IC 4-4-11-15 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]: Sec. 15. (a) The authority is granted all powers necessary or appropriate to carry out and effectuate its public and corporate purposes under this chapter, IC 4-4-21, and IC 15-7-5, including but not limited to the following:

(1) Have perpetual succession as a body politic and corporate and an independent instrumentality exercising essential public functions.

(2) Without complying with IC 4-22-2, adopt, amend, and repeal bylaws, rules, and regulations not inconsistent with this chapter, IC 4-4-21, and IC 15-7-5 and necessary or convenient to regulate its affairs and to carry into effect the powers, duties, and purposes of the authority and conduct its business.

(3) Sue and be sued in its own name.

(4) Have an official seal and alter it at will.

(5) Maintain an office or offices at a place or places within the state as it may designate.

(6) Make and execute contracts and all other instruments necessary or convenient for the performance of its duties and the exercise of its powers and functions under this chapter, IC 4-4-21, and IC 15-7-5.

(7) Employ architects, engineers, attorneys, inspectors, accountants, agriculture experts, silviculture experts, aquaculture experts, and financial experts, and such other advisors, consultants, and agents as may be necessary in its judgment and to fix their compensation.

(8) Procure insurance against any loss in connection with its property and other assets, including loans and loan notes in amounts and from insurers as it may consider advisable.

(9) Borrow money, make guaranties, issue bonds, and otherwise

incur indebtedness for any of the authority's purposes, and issue debentures, notes, or other evidences of indebtedness, whether secured or unsecured, to any person, as provided by this chapter, IC 4-4-21, **IC 4-4-11.4**, and IC 15-7-5.

(10) Procure insurance or guaranties from any public or private entities, including any department, agency, or instrumentality of the United States, for payment of any bonds issued by the authority or for reinsurance on amounts paid from the industrial development project guaranty fund, including the power to pay premiums on any insurance or reinsurance.

(11) Purchase, receive, take by grant, gift, devise, bequest, or otherwise, and accept, from any source, aid or contributions of money, property, labor, or other things of value to be held, used, and applied to carry out the purposes of this chapter, IC 4-4-21, and IC 15-7-5, subject to the conditions upon which the grants or contributions are made, including but not limited to gifts or grants from any department, agency, or instrumentality of the United States, and lease or otherwise acquire, own, hold, improve, employ, use, and otherwise deal in and with real or personal property or any interest in real or personal property, wherever situated, for any purpose consistent with this chapter, IC 4-4-21, or IC 15-7-5.

(12) Enter into agreements with any department, agency, or instrumentality of the United States or this state and with lenders and enter into loan agreements, sales contracts, and leases with contracting parties, including borrowers, lenders, developers, or users, for the purpose of planning, regulating, and providing for the financing and refinancing of any agricultural enterprise (as defined in IC 15-7-4.9-2), rural development project (as defined in IC 15-7-4.9-19.5), industrial development project, or international exports, and distribute data and information concerning the encouragement and improvement of agricultural enterprises and agricultural employment, rural development projects, industrial development projects, international exports, and other types of employment in the state undertaken with the assistance of the authority under this chapter.

(13) Enter into contracts or agreements with lenders and lessors for the servicing and processing of loans and leases pursuant to this chapter, IC 4-4-21, and IC 15-7-5.

(14) Provide technical assistance to local public bodies and to profit and nonprofit entities in the development or operation of agricultural enterprises, rural development projects, and industrial development projects.

(15) To the extent permitted under its contract with the holders of the bonds of the authority, consent to any modification with respect to the rate of interest, time, and payment of any installment of principal or interest, or any other term of any

contract, loan, loan note, loan note commitment, contract, lease, or agreement of any kind to which the authority is a party.

(16) To the extent permitted under its contract with the holders of bonds of the authority, enter into contracts with any lender containing provisions enabling it to reduce the rental or carrying charges to persons unable to pay the regular schedule of charges when, by reason of other income or payment by any department, agency, or instrumentality of the United States of America or of this state, the reduction can be made without jeopardizing the economic stability of the agricultural enterprise, rural development project, or industrial development project being financed.

(17) Invest any funds not needed for immediate disbursement, including any funds held in reserve, in direct and general obligations of or obligations fully and unconditionally guaranteed by the United States, obligations issued by agencies of the United States, obligations of this state, or any obligations or securities which may from time to time be legally purchased by governmental subdivisions of this state pursuant to IC 5-13, or any obligations or securities which are permitted investments for bond proceeds or any construction, debt service, or reserve funds secured under the trust indenture or resolution pursuant to which bonds are issued.

(18) Collect fees and charges, as the authority determines to be reasonable, in connection with its loans, guarantees, advances, insurance, commitments, and servicing.

(19) Cooperate and exchange services, personnel, and information with any federal, state, or local government agency, or instrumentality of the United States or this state.

(20) Sell, at public or private sale, with or without public bidding, any loan or other obligation held by the authority.

(21) Enter into agreements concerning, and acquire, hold, and dispose by any lawful means, land or interests in land, building improvements, structures, personal property, franchises, patents, accounts receivable, loans, assignments, guarantees, and insurance needed for the purposes of this chapter, IC 4-4-21, or IC 15-7-5.

(22) Take assignments of accounts receivable, loans, guarantees, insurance, notes, mortgages, security agreements securing notes, and other forms of security, attach, seize, or take title by foreclosure or conveyance to any industrial development project when a guaranteed loan thereon is clearly in default and when in the opinion of the authority such acquisition is necessary to safeguard the industrial development project guaranty fund, and sell, or on a temporary basis, lease, or rent such industrial development project for any use.

(23) Expend money, as the authority considers appropriate, from the industrial development project guaranty fund created by

- 1 section 16 of this chapter.
- 2 (24) Purchase, lease as lessee, construct, remodel, rebuild,
- 3 enlarge, or substantially improve industrial development projects,
- 4 including land, machinery, equipment, or any combination
- 5 thereof.
- 6 (25) Lease industrial development projects to users or developers,
- 7 with or without an option to purchase.
- 8 (26) Sell industrial development projects to users or developers,
- 9 for consideration to be paid in installments or otherwise.
- 10 (27) Make direct loans from the proceeds of the bonds to users or
- 11 developers for:
- 12 (A) the cost of acquisition, construction, or installation of
- 13 industrial development projects, including land, machinery,
- 14 equipment, or any combination thereof; or
- 15 (B) eligible expenditures for an educational facility project
- 16 described in IC 4-4-10.9-6.2(a)(2);
- 17 with the loans to be secured by the pledge of one (1) or more
- 18 bonds, notes, warrants, or other secured or unsecured debt
- 19 obligations of the users or developers.
- 20 (28) Lend or deposit the proceeds of bonds to or with a lender for
- 21 the purpose of furnishing funds to such lender to be used for
- 22 making a loan to a developer or user for the financing of industrial
- 23 development projects under this chapter.
- 24 (29) Enter into agreements with users or developers to allow the
- 25 users or developers, directly or as agents for the authority, to
- 26 wholly or partially construct industrial development projects to be
- 27 leased from or to be acquired by the authority.
- 28 (30) Establish reserves from the proceeds of the sale of bonds,
- 29 other funds, or both, in the amount determined to be necessary by
- 30 the authority to secure the payment of the principal and interest on
- 31 the bonds.
- 32 (31) Adopt rules governing its activities authorized under this
- 33 chapter, IC 4-4-21, and IC 15-7-5.
- 34 (32) Use the proceeds of bonds to make guaranteed participating
- 35 loans.
- 36 (33) Purchase, discount, sell, and negotiate, with or without
- 37 guaranty, notes and other evidences of indebtedness.
- 38 (34) Sell and guarantee securities.
- 39 (35) Make guaranteed participating loans under IC 4-4-21-26.
- 40 (36) Procure insurance to guarantee, insure, coinsure, and reinsure
- 41 against political and commercial risk of loss, and any other
- 42 insurance the authority considers necessary, including insurance
- 43 to secure the payment of principal and interest on notes or other
- 44 obligations of the authority.
- 45 (37) Provide performance bond guarantees to support eligible
- 46 export loan transactions, subject to the terms of this chapter or
- 47 IC 4-4-21.

(38) Provide financial counseling services to Indiana exporters.

(39) Accept gifts, grants, or loans from, and enter into contracts or other transactions with, any federal or state agency, municipality, private organization, or other source.

(40) Sell, convey, lease, exchange, transfer, or otherwise dispose of property or any interest in property, wherever the property is located.

(41) Cooperate with other public and private organizations to promote export trade activities in Indiana.

(42) Make guarantees and administer the agricultural loan and rural development project guarantee fund established by IC 15-7-5.

(43) Take assignments of notes and mortgages and security agreements securing notes and other forms of security, and attach, seize, or take title by foreclosure or conveyance to any agricultural enterprise or rural development project when a guaranteed loan to the enterprise or rural development project is clearly in default and when in the opinion of the authority the acquisition is necessary to safeguard the agricultural loan and rural development project guarantee fund, and sell, or on a temporary basis, lease or rent the agricultural enterprise or rural development project for any use.

(44) Expend money, as the authority considers appropriate, from the agricultural loan and rural development project guarantee fund created by IC 15-7-5-19.5.

(45) Reimburse from bond proceeds expenditures for industrial development projects under this chapter.

(46) Do any act necessary or convenient to the exercise of the powers granted by this chapter, IC 4-4-21, or IC 15-7-5, or reasonably implied from those statutes, including but not limited to compliance with requirements of federal law imposed from time to time for the issuance of bonds.

(b) The authority's powers under this chapter shall be interpreted broadly to effectuate the purposes of this chapter and may not be construed as a limitation of powers.

(c) This chapter does not authorize the financing of industrial development projects for a developer unless any written agreement that may exist between the developer and the user at the time of the bond resolution is fully disclosed to and approved by the authority.

SECTION 4. IC 4-4-11.4 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2005]:

Chapter 11.4. Additional Authority: Twenty-First Century Research and Technology Fund

Sec. 1. As used in this chapter, "authority" refers to the Indiana development finance authority.

Sec. 2. As used in this chapter, "bonds" means any bonds, notes,

debentures, interim certificates, revenue anticipation notes, warrants, or any other evidences of indebtedness of the authority.

Sec. 3. As used in this chapter, "financial institution" means a financial institution (as defined in IC 28-1-1).

Sec. 4. As used in this chapter, "holder" means a person who is the:

(1) bearer of any outstanding bond or note registered to bearer or not registered; or

(2) registered owner of any outstanding bond or note that is registered other than to bearer.

Sec. 5. As used in this chapter, "person" means any individual, partnership, firm, association, joint venture, limited liability company, or corporation.

Sec. 6. As used in this chapter, "reserve fund" means a reserve fund established under section 15 of this chapter.

Sec. 7. (a) The authority may issue its bonds in principal amounts that it considers necessary to provide funds for the purposes under this chapter, including the following:

(1) Providing a source of money for the Indiana twenty-first century research and technology fund established by IC 4-4-5.1-3.

(2) Payment, funding, or refunding of the principal of, or interest or redemption premiums on, bonds issued by it under this chapter whether the bonds or interest to be paid, funded, or refunded have or have not become due.

(3) Establishment or increase of reserves to secure or to pay bonds or interest on bonds and all other costs or expenses of the authority incident to and necessary or convenient to carry out the authority's corporate purposes and powers under this chapter.

(b) Every issue of bonds shall be obligations of the authority payable solely out of the revenues or funds of the authority under section 15 of this chapter, subject to agreements with the holders of a particular series of bonds pledging a particular revenue or fund. Bonds may be additionally secured by a pledge of a grant or contributions from the United States, a political subdivision, or a person, or by a pledge of income or revenues, funds, or money of the authority from any source.

Sec. 8. (a) A bond of the authority:

(1) is not a debt, liability, loan of the credit, or pledge of the faith and credit of the state or of any political subdivision;

(2) is payable solely from the money pledged or available for its payment under this chapter, unless funded or refunded by bonds of the authority; and

(3) must contain on its face a statement that the authority is obligated to pay principal and interest, and redemption

premiums, if any, and that the faith, credit, and taxing power of the state are not pledged to the payment of the bond.

(b) The state pledges to and agrees with the holders of the bonds issued under this chapter that the state will not:

(1) limit or restrict the rights vested in the authority to fulfill the terms of any agreement made with the holders of its bonds; or

(2) in any way impair the rights or remedies of the holders of the bonds;

until the bonds, together with the interest on the bonds, and interest on unpaid installments of interest, and all costs and expenses in connection with an action or proceeding by or on behalf of the holders, are fully met, paid, and discharged.

Sec. 9. The bonds of the authority are negotiable instruments for all purposes of the Uniform Commercial Code (IC 26), subject only to the provisions of the bonds for registration.

Sec. 10. (a) Bonds of the authority must be authorized by resolution of the authority, may be issued in one (1) or more series, and must:

(1) bear the date;

(2) mature at the time or times;

(3) be in the denomination;

(4) be in the form;

(5) carry the conversion or registration privileges;

(6) have the rank or priority;

(7) be executed in the manner;

(8) be payable from the sources in the medium of payment at the place inside or outside Indiana; and

(9) be subject to the terms of redemption;

as the resolution of the authority or the trust agreement securing the bonds provides.

(b) Bonds may be issued under this chapter without obtaining the consent of any state agency and without any other proceeding or condition other than the proceedings or conditions specified in this chapter. However, the total principal of all outstanding bonds issued under this chapter may not exceed one billion dollars (\$1,000,000,000). Not more than two hundred million dollars (\$200,000,000) in bonds may be issued in any state fiscal year. Bonds issued before July 1, 2007, must provide that debt principal and other debt service payments are not required before July 1, 2007. Bonds may not be issued under this chapter after June 30, 2011, other than bonds issued to refinance bonds originally issued before July 1, 2011.

(c) The rate or rates of interest on the bonds may be fixed or variable. Variable rates shall be determined in the manner and in accordance with the procedures set forth in the resolution

1 authorizing the issuance of the bonds. Bonds bearing a variable
 2 rate of interest may be converted to bonds bearing a fixed rate or
 3 rates of interest, and bonds bearing a fixed rate or rates of interest
 4 may be converted to bonds bearing a variable rate of interest, to
 5 the extent and in the manner set forth in the resolution pursuant to
 6 which the bonds are issued. The interest on bonds may be payable
 7 semiannually or annually or at any other interval or intervals as
 8 may be provided in the resolution, or the interest may be
 9 compounded and paid at maturity or at any other times as may be
 10 specified in the resolution.

11 (d) The bonds may be made subject to mandatory redemption
 12 by the authority at the times and under the circumstances set forth
 13 in the authorizing resolution.

14 Sec. 11. Bonds of the authority may be sold at public or private
 15 sale at the price the authority determines. If bonds of the authority
 16 are to be sold at public sale, the authority shall publish notice of the
 17 sale for two (2) weeks in two (2) newspapers published and of
 18 general circulation in Indianapolis.

19 Sec. 12. The authority may periodically issue its bonds under
 20 this chapter and pay and retire the principal of the bonds or pay
 21 the interest due thereon or fund or refund the bonds from proceeds
 22 of bonds, or from other funds or money of the authority available
 23 for that purpose in accordance with a contract between the
 24 authority and the holders of the bonds.

25 Sec. 13. (a) In the discretion of the authority, any bonds issued
 26 under this chapter may be secured by a trust agreement by and
 27 between the authority and a corporate trustee, which may be any
 28 trust company or bank having the powers of a trust company
 29 within or outside Indiana.

30 (b) The trust agreement or the resolution providing for the
 31 issuance of the bonds may contain provisions for protecting and
 32 enforcing the rights and remedies of the holders of any such bonds
 33 as are reasonable and proper and not in violation of law.

34 (c) The trust agreement or resolution may set forth the rights
 35 and remedies of the holders of any bonds and of the trustee and
 36 may restrict the individual right of action by the holders.

37 (d) In addition to the provisions of subsections (a), (b), and (c),
 38 any trust agreement or resolution may contain other provisions the
 39 authority considers reasonable and proper for the security of the
 40 holders of any bonds.

41 (e) All expenses incurred in carrying out the trust agreement or
 42 resolution may be paid from revenues or assets pledged or assigned
 43 to the payment of the principal of and the interest on bonds or
 44 from any other funds available to the authority.

45 Sec. 14. The authority may purchase bonds of the authority out
 46 of its funds or money available for the purchase of its own bonds.

1 The authority may hold, cancel, or resell the bonds subject to, and
 2 in accordance with, agreements with holders of its bonds. Unless
 3 canceled, bonds held by the authority are considered to be held for
 4 resale or transfer and the obligation evidenced by the bonds shall
 5 not be considered to be extinguished.

6 Sec. 15. (a) The authority may establish and maintain a debt
 7 service fund, and if necessary, a reserve fund, for each issue of
 8 bonds in which there shall be deposited or transferred:

9 (1) all money appropriated by the general assembly for the
 10 purpose of the fund in accordance with section 18(a) of this
 11 chapter;

12 (2) all proceeds of bonds required to be deposited in the fund
 13 by terms of a contract between the authority and its holders
 14 or a resolution of the authority with respect to the proceeds of
 15 bonds;

16 (3) all other money appropriated by the general assembly to
 17 the funds; and

18 (4) any other money or funds of the authority that it decides
 19 to deposit in either fund.

20 (b) Subject to section 18(b) of this chapter, money in any reserve
 21 fund shall be held and applied solely to the payment of the interest
 22 on and principal of bonds of the authority as the interest and
 23 principal become due and payable and for the retirement of bonds.

24 (c) Money in any reserve fund in excess of the required debt
 25 service reserve, whether by reason of investment or otherwise, may
 26 be withdrawn at any time by the authority and transferred to
 27 another fund or account of the authority, subject to the provisions
 28 of any agreement with the holders of any bonds.

29 Sec. 16. Money in any reserve fund may be invested in the
 30 manner provided in the trust agreement or the resolution
 31 authorizing issuance of the bonds.

32 Sec. 17. For purposes of valuation, investments in the reserve
 33 fund shall be valued at par, or if purchased at less than par, at cost
 34 unless otherwise provided by resolution or trust agreement of the
 35 authority. Valuation on a particular date shall include the amount
 36 of interest then earned or accrued to that date on the money or
 37 investments in the reserve fund.

38 Sec. 18. (a) In order to assure the payment of debt service on
 39 bonds of the authority issued under this chapter or maintenance of
 40 the required debt service reserve in any reserve fund, the general
 41 assembly may annually or biannually appropriate to the authority
 42 for deposit in one (1) or more of the funds the sum, certified by the
 43 chairman of the authority to the general assembly, that is necessary
 44 to pay the debt service on the bonds or to restore one (1) or more
 45 of the funds to an amount equal to the required debt service
 46 reserve. The chairman annually, before December 1, shall make

1 and deliver to the general assembly the chairman's certificate
2 stating the sum required to pay debt service on the bonds or to
3 restore one (1) or more of the funds to an amount equal to the
4 required debt service reserve. This subsection does not create a
5 debt or liability of the state to make any appropriation.

6 (b) All amounts received on account of money appropriated by
7 the state to any fund shall be held and applied in accordance with
8 section 15(b) of this chapter. However, at the end of each fiscal
9 year, if the amount in any fund exceeds the debt service or required
10 debt service reserve, any amount representing earnings or income
11 received on account of any money appropriated to the funds that
12 exceeds the expenses of the authority for that fiscal year may be
13 transferred to the Indiana twenty-first century research and
14 technology fund established by IC 4-4-5.1-3.

15 Sec. 19. Subject to any agreement with its holders, the authority
16 may combine a reserve fund established for an issue of bonds into
17 one (1) or more reserve funds.

18 Sec. 20. The authority may establish additional reserves or other
19 funds or accounts as the authority considers necessary, desirable,
20 or convenient to further the accomplishment of its purposes or to
21 comply with any of its agreements or resolutions.

22 Sec. 21. Unless the resolution or trust agreement authorizing the
23 bonds provides otherwise, money or investments in a fund or
24 account of the authority established or held for the payment of
25 bonds shall be applied to the payment or retirement of the bonds,
26 and to no other purpose.

27 Sec. 22. (a) An action to contest the validity of any bonds of the
28 authority to be sold at public sale may not be brought after the
29 fifteenth day following the first publication of notice of the sale of
30 the bonds. An action to contest the validity of any bond sale under
31 this chapter may not be brought after the fifth day following the
32 bond sale.

33 (b) If bonds are sold at private sale, an action to contest the
34 validity of such bonds may not be brought after the fifteenth day
35 following the adoption of the resolution authorizing the issuance of
36 the bonds.

37 (c) If an action challenging the bonds of the authority is not
38 brought within the time prescribed by subsection (a) or (b),
39 whichever is applicable, all bonds of the authority are conclusively
40 presumed to be fully authorized and issued under the laws of the
41 state, and a person or a qualified entity is estopped from
42 questioning their authorization, sale, issuance, execution, or
43 delivery by the authority.

44 (d) If this chapter is inconsistent with any other law (general,
45 special, or local), this chapter controls.

46 Sec. 23. All property of the authority is exempt from levy and

1 sale by virtue of an execution and no execution or other judicial
2 process may issue against the property. A judgment against the
3 authority may not be a charge or lien upon its property. However,
4 this section does not apply to or limit the rights of the holder of
5 bonds to pursue a remedy for the enforcement of a pledge or lien
6 given by the authority on its revenues or other money.

7 Sec. 24. A pledge of revenues or other money made by the
8 authority is binding from the time the pledge is made. Revenues or
9 other money so pledged and thereafter received by the authority
10 are immediately subject to the lien of the pledge without any
11 further act, and the lien of a pledge is binding against all parties
12 having claims of any kind in tort, contract, or otherwise against the
13 authority, regardless of whether the parties have notice of the lien.
14 Neither the resolution nor any other instrument by which a pledge
15 is created needs to be filed or recorded except in the records of the
16 authority.

17 Sec. 25. The chairman of the authority may receive from the
18 United States of America or any department or agency thereof, or
19 any state agency any amount of money as and when appropriated,
20 allocated, granted, turned over, or in any way provided for the
21 purposes of the authority or this chapter, and those amounts shall,
22 unless otherwise directed by the federal authority, be credited to
23 and be available to the authority.

24 Sec. 26. A financial institution may give to the authority a good
25 and sufficient undertaking with such sureties as are approved by
26 the authority to the effect that the financial institution shall
27 faithfully keep and pay over to the order of or upon the warrant of
28 the authority or its authorized agent all those funds deposited with
29 it by the authority and agreed interest under or by reason of this
30 chapter, at such times or upon such demands as may be agreed
31 with the authority or instead of these sureties, deposit with the
32 authority or its authorized agent or a trustee or for the holders of
33 bonds, as collateral, those securities as the authority may approve.
34 The deposits of the authority may be evidenced by an agreement in
35 the form and upon the terms and conditions that may be agreed
36 upon by the authority and the financial institution.

37 Sec. 27. The authority may enter into agreements or contracts
38 with a financial institution inside or outside Indiana as the
39 authority considers necessary, desirable, or convenient for
40 rendering services in connection with the care, custody, or
41 safekeeping of securities or other investments held or owned by the
42 authority, for rendering services in connection with the payment or
43 collection of amounts payable as to principal or interest, and for
44 rendering services in connection with the delivery to the authority
45 of securities or other investments purchased by or sold by the
46 authority, and to pay the cost of those services. The authority may

1 also, in connection with any of the services to be rendered by a
 2 financial institution as to the custody and safekeeping of its
 3 securities or investments, require security in the form of collateral
 4 bonds, surety agreements, or security agreements in such form and
 5 amount as, the authority considers necessary or desirable.

6 **Sec. 28.** Notwithstanding the restrictions of any other law, all
 7 financial institutions, investment companies, insurance companies,
 8 insurance associations, executors, administrators, guardians,
 9 trustees, and other fiduciaries may legally invest sinking funds,
 10 money, or other funds belonging to them or within their control in
 11 bonds issued under this chapter.

12 **Sec. 29.** All property of the authority is public property devoted
 13 to an essential public and governmental function and purpose and
 14 is exempt from all taxes and special assessments, direct or indirect,
 15 of the state or a political subdivision of the state. All bonds issued
 16 under this chapter are issued by a body corporate and public of the
 17 state, but not a state agency, and for an essential public and
 18 governmental purpose and the bonds, the interest thereon, the
 19 proceeds received by a holder from the sale of the bonds to the
 20 extent of the holder's cost of acquisition, proceeds received upon
 21 redemption before maturity, and proceeds received at maturity and
 22 the receipt of the interest and proceeds are exempt from taxation
 23 in the state for all purposes except a state inheritance tax imposed
 24 under IC 6-4.1.

25 **Sec. 30.** Any bonds issued by the authority under this chapter
 26 are exempt from the registration and other requirements of
 27 IC 23-2-1 and any other securities registration laws.

28 **Sec. 31.** This chapter is supplemental to all other statutes
 29 governing the authority."

30 Renumber all SECTIONS consecutively.

(Reference is to ESB 202 as printed March 15, 2005.)

Representative Espich